

7. IMPLEMENTATION

INTRODUCTION

This section provides implementation policies related to regulatory changes financing of new public improvements and other actions recommended to implement the Specific Plan. The first part of this section discusses policies related to regulatory provisions and review procedures. The second part addresses the phasing and financing of capital improvements necessary to support new development; and the final part discusses implementation programs for the Midtown Area. Taken collectively, these policies form an action plan for the Midtown Area.

The Specific Plan is a long-term, 20-year plan, that provides direction for new development in the area. It cannot be reasonably expected to be implemented through the actions of industry alone. It is important to view implementation of the plan as a public-private partnership between the City's Redevelopment Agency (RDA) and the property owners and developers that will undertake new development projects in the Midtown Area.

The Specific Plan is consistent with, and implements the goals and policies of, the Milpitas General Plan. A more specific discussion of consistency between the two documents can be found in Appendix A—Relationship to the General Plan.

IMPLEMENTATION GOALS

Goal 1: Identify “catalyst” development sites.

There are four key sites within the Midtown Area, because of their sizes and locations, that hold the potential to set the ‘tone’ for the area and encourage further redevelopment and reinvestment. Two of these are near-term opportunities—the Abel property at Great Mall Parkway and Abel and Main Streets, and the county-owned site at Abel and Curtis Streets. These two large, undeveloped sites could have a significant near-term influence on the Midtown Area if they are developed with attractive new residential projects. The two other longer term catalyst opportunities for the Midtown Area are the potential redevelopment of the Montague/Capitol Expressways TOD site adjacent to the proposed BART station at Montague Expressway, and the eastern portion of the Serra Shopping Center with new office uses.

Goal 2: Identify financial resources to create a plan that is financially self-sufficient to the extent feasible.

Over the long-term, the plan should be financially self-sufficient; that is, it should generate adequate revenue to cover the costs of public investment in the area. Implementation of the plan will be a mix of public and private investment. Public funds should be used to eliminate blight and have the potential to stimulate private investment.

Goal 3: Establish the regulatory mechanisms necessary to implement the Specific Plan.

The Specific Plan will require a number of regulatory mechanisms for implementation. These include the following: changes to the General Plan and zoning regulations; expansion of existing or adoption of a new redevelopment project area; adoption of new design review guidelines and procedures. These mechanisms are described further in this element.

REGULATORY AND REVIEW POLICIES

Policy 7.1: Form a new redevelopment project area or expand Area #1 to include a larger portion of the Midtown Area, as shown in Figure 7.1.

Formation of a new redevelopment project area or expansion of Area #1 will provide the financial and regulatory tools necessary to implement the Specific Plan. The Midtown Area may meet the criteria for physical and economic blight, as required by state statutes. An evaluation needs to be undertaken to determine whether it is more feasible to form a new redevelopment project area, or amend the existing Area #1. That decision will be determined based upon the existence of blight (as defined under the Health and Safety Code), financial feasibility, and the need to amend the existing project area for orderly planning and development.

Policy 7.2: Enforce the Development Standards and Design Guidelines (see Section 8.0 of this plan) to ensure that new development is of a high-quality and consistent with Specific Plan objectives.

The Specific Plan sets forth a comprehensive set of Development Standards and Design Guidelines that are intended to ensure that new development is of high-quality, and is oriented and designed to reinforce the public realm of the Midtown Area, specifically the streets, pathways, parks and transit stations.

Policy 7.3: Proposed plans shall undergo a supplemental architectural review for new office and high-density residential and other appropriate development to ensure high-quality development. The applicant will bear the cost of such a review.

In order to ensure that new development is of a high-quality and is consistent with the intent of the Specific Plan, review will be conducted on proposed development plans in the Midtown Area. This is a procedure that the City currently undertakes for new development proposals. The final decision on design review will rest with the final decision making body.

Policy 7.4: Encourage aggregation of parcels along Main Street and within the Capitol/Montague residential area in order to meet the needs of higher intensity commercial and residential development.

Parcel sizes within the Main Street area are very small. Effective new development in this area would be facilitated by an aggregation of smaller parcels into larger parcels that allow for better overall site plans than could be achieved by piecemeal development of individual parcels.

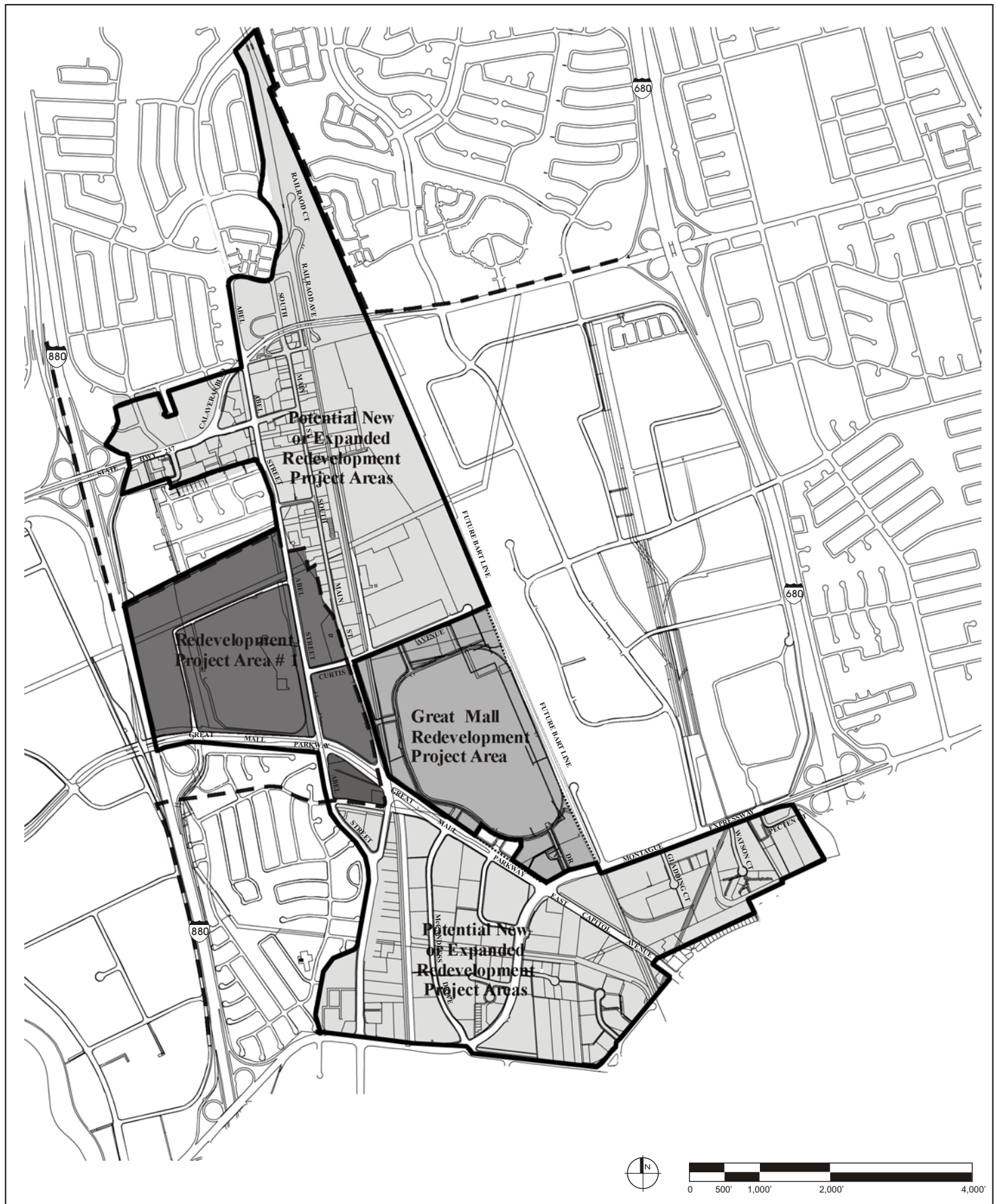


Figure 7.I: Recommended Redevelopment Expansion Areas

Policy 7.5: Require the preparation of a coordinated development plan (Precise Plan) for several parcels when development is proposed on the following sites, as designated in Figure 7.2.

Coordinated development plans would be required for the following parcels:

- Serra Way and Main Street
- Capitol Avenue High-Density Residential Zones

The intent of this policy is to coordinate development over several parcels, so that each individual development contributes to a coherent overall site plan for a larger area. When a project developer located in one of the areas shown in Figure 7.2 approaches the City regarding future development, a site plan for the overall area will be required. Issues to be addressed at the Precise Plan level include: coordination of circulation and access; placement and configuration of parking; and building orientation. Opportunities for coordinating parcel access (i.e., sharing driveways and minimizing curbcuts) are a key issue along Main Street. Providing a coherent development pattern and an interconnected street pattern is a key concern in the Montague/Capitol residential area.

DEVELOPMENT AND FINANCING STRATEGY

The following outlines a development, improvement, and financing strategy for implementing the Specific Plan. In preparing this implementation strategy, the following principles were used:

- Implementation of the Specific Plan should be strategic with respect to fostering high quality development, fiscal sustainability, and balanced community and economic development and public benefit;
- Public monies and resources should be focused to leverage the highest amount of private investment and public benefit; and
- Allocation of capital improvement costs should reflect the relative benefits received by project beneficiaries.

Development Strategy

The Specific Plan identifies a projected development program consisting of new residential and commercial development, which is summarized as follows:

- 4,860 units of townhome, condominium, and apartment development;
- 362,000 square-feet of retail space; and
- 720,000 square-feet of office space.

Of this program 800 dwelling units and 300,000 square-feet of retail space are located within the existing redevelopment project Area #1 (see Redevelopment Areas Map).

Capital Projects and Implementation Programs

A series of public and private projects are required to implement the proposed development program. These projects include public street and utility improvements, development of additional public amenities (e.g., parks), and administration of improvement programs (e.g., facade improvement programs). These costs are summarized below.

Estimates represent planning level costs and should be refined as more engineering and design studies are completed.

TABLE 7.1
Estimated Improvement Costs

Improvement	Total Cost
Public Street and Utility Upgrades	
Sewer	\$ 1,028,000
Water	\$ 3,416,500
Recycled Water	\$ 301,500
Storm Drainage	\$ 1,553,500
Street Improvements	\$ 18,475,000
Public Amenity Program	
Streetscape Improvements	\$ 7,873,500
Bicycle and Pedestrian Improvements	\$ 6,601,000
Parks	\$ 12,449,500
Administrative Programs	
Site Assembly Program	\$ 25,000,000
Facade Enhancement	\$ 2,587,500
Marketing	\$ 1,725,000
TOTAL	\$ 80,011,000

The assumptions for capital projects and implementation programs are described below.

Public Street and Utility Upgrades: This category includes upgrading streets and utilities as necessary to accommodate new development (improvements listed on pages 4-7 for streets, 6-4 for water, 6-7 for sewer, and 6-9 for stormwater). The costs for utilities include those necessary to serve a parcel as well as overall needed upgrades. Improvements that are directly tied to new development may be funded by developers through fees and exactions or through redevelopment funds. Private development alone cannot finance the required improvements to public streets and utility upgrades. Improvements that are neces-

sary to improve existing substandard conditions would be a redevelopment cost.

Public Amenity Program: This cost category includes streetscape improvements (i.e., landscaping, benches and lighting), bicycle and pedestrian system improvements, and parks within the Midtown Area.

Streetscape Improvements: These improvements are recommended for Main and Abel Streets (including sidestreets: Curtis Avenue, Corning Avenue, Serra Way), and Great Mall Parkway. Improvements for Calaveras Boulevard were developed as part of the City's Streetscape Master Plan. Streetscape improvements will improve the image and amenity of the area for existing and future businesses. These streets are heavily-traveled, highly visible thoroughfares that are gateways to the community; streetscape enhancements will improve both the project area and the city as a whole. The cost estimates for Calaveras Boulevard improvements comes directly from the Streetscape Master Plan (Calaveras West) and is included in the 1999–2002 Capital Improvement Program. Using cost factors included in the Streetscape Master Plan, planning level estimates of streetscape costs for Main and Abel Streets and Great Mall Parkway have been developed.

Bicycle and Pedestrian Improvements: This includes improvements to the Penitencia Creek Trail as well as a future potential east–west bicycle/pedestrian connection over the Union Pacific Railroad tracks. Improvement of the Penitencia Creek Trail will provide a significant recreational and open space amenity for the Midtown Area,



Figure 7.2: Precise Plan Areas

as well as the city as a whole. The rail tracks bike pedestrian crossing is under review as part of a separate study (Bicycle/Pedestrian Overcrossing of the Union Pacific Railroad Tracks, City of Milpitas). A preliminary estimate for the structure is \$5.0 million with the public share of the total cost estimated at \$2.5 million. This project clearly has a citywide benefit.

Parks: This category includes the approximately 15 acres of public park land in new residential areas of Midtown. With the exception of the Town Square Park in the vicinity of Serra Way and Main Street, parks are anticipated to be dedicated and improved by residential developers. Town Square Park, as a citywide amenity, is assumed to be a joint public/private effort.

Administrative Programs: Additional City services would assist in the implementation of the Specific Plan. Three areas for additional/expanded programs are recommended and are discussed below

- **Site Assembly Program.** Monies the RDA may use to assist in the assembly of parcels or to implement public objectives (i.e., affordable housing). There are several “soft” sites that could benefit by assembling parcels to create a larger development project. Sites along Main Street and around the Montague Transit Stations appear to be prime candidates for some assembly. These areas are not, however, within the City’s Redevelopment Districts.
- **Facade Enhancement.** Programs to enhance the street face of existing buildings.

- **Marketing.** City programs to target and attract desirable businesses/development to Midtown Area.

Policy 7.6: Allow new development to be phased as permitted by market conditions and by the availability of supporting infrastructure.

It is anticipated that new development in Midtown will proceed as market conditions and property owner interest dictate, and will occur over a time period of 10 to 15 years. There are no requirements for parcels to be developed in any particular order so long as supporting infrastructure is available to accommodate new development.

Policy 7.7: Establish contractual and/or financial mechanisms to ensure the equitable financial participation of project developers in the construction of infrastructure and public facilities, as appropriate.

In some areas it may be desirable to establish contractual or financial mechanisms such as reimbursement agreements, owner participation agreements and disposition and development agreements, development fees or assessment districts to provide the financial mechanisms to fund or maintain improvements that serve or benefit several property owners. A summary of the most likely financial tools is found in Appendix C.

Policy 7.8: Use available housing set aside funds to assist in the provision of affordable rental and ownership housing within market-rate projects when necessary. Leverage funds to maximize affordability.

Under California law, a portion of tax increment monies must be set aside for housing which is affordable to very low, low, and moderate in-

come households. These funds will be utilized for affordable units within new market-rate housing developments in the Midtown Area. It is desirable to create both affordable rental and ownership housing. Funds for affordable housing should be leveraged to attract other funds/programs to lower housing costs, such as money from state housing programs.

The RDA has spent approximately \$58 million on affordable housing programs and projects, as of the end of fiscal year 2000/2001. This includes direct project expenditures, loans and grants for affordable housing, program management, and debt service expenses. As of the end of 2000/2001 fiscal year, RDA's expenditures exceeded 20% of tax increment revenues by approximately \$4.4 million. This means that the agency is not required to make additional set aside housing expenditures until the balance that has been advanced has been re-paid. At that point the agency will resume making annual deposits to its housing set aside fund to fund affordable housing projects and programs.

Policy 7.9: Establish an in-lieu fee program for affordable housing in compliance with Policy 3.6. Determine the in-lieu fee on a project-by-project basis in order to reflect the most current market changes in the cost of providing housing units.

Policy 3.6 requires affordable housing units to be provided with new housing developments. The affordable unit requirements will be determined on a project-by-project basis, considering the size of the project, the location of the site, and the mix of affordable units in the Midtown

Area. Housing developments of 12 units or less may be allowed to pay a fee in-lieu of providing affordable units. In-lieu fees will be determined through Council at a later date.

Policy 7.10: Pursue funding from government sponsored grant programs for transit and pedestrian realm improvements.

Additional sources of funding for capital projects will be pursued through many grant programs. For example, improvements to the pedestrian and bicycle system, such as improvement of the creek trails and the pedestrian and bicycle overcrossing, may be candidates for Transportation Equity Act for the 21st Century (TEA-21) funding. TEA-21 funds are applicable to a wide range of transportation related projects and typically require a local match.

Policy 7.11: Consider using a portion of the State Park Bond 2000 (Proposition 12) Funds toward developing the creek trail system.

In March 2000, California voters approved the Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection Act of 2000 (Proposition 12) which provided \$824 million for local assistance grants. Local grants included within the bill are disbursed both on a per-capita basis as well as on a competitive basis.

In addition to the per-capita grants, Proposition 12 also provides for competitive grants in a number of areas including development of trails. Applications for these competitive grants will be staggered throughout the 2001/02 fiscal year. The grant program will be administered by the State Department of Parks and Recreation.

Policy 7.12: *Provide incentives to developers to develop the Main Street Town Square.*

There are two approaches to implementing the Town Square: RDA will purchase land and develop the square; or the land will be developed as part of a development project. The RDA will consider appropriate incentives, such as density bonuses, waiver of fees/affordable housing requirements and/or funds, to developers in order to provide a Town Square on Main Street.

IMPLEMENTATION PROGRAMS

Policy 7.13: *Prepare construction documents and integrate streetscape design and construction programs for Midtown streets into the Capital Improvement Program.*

Streetscape improvement programs will contribute greatly to a new image and identity for the Midtown Area, as well as to a more amenable pedestrian environment. Conceptual plans have been developed and placed within the Capital Improvement Program for West Calaveras Boulevard through the recently adopted City of Milpitas Streetscape Master Plan. Landscape improvements for Great Mall Parkway will be developed as a part of the LRT project. Plans should be prepared for the following streets:

- Main Street (including Carlo Street, Serra Way, Corning Avenue);
- Abel Street; and
- East Curtis Avenue.

These improvements should be integrated into the overall Capital Improvements Program as soon as feasible.

Policy 7.14: *Phase streetscape construction on Main and Abel Streets to minimize disruption along the streets.*

Streetscape improvements should be developed in phases to minimize disruption. At a minimum, the Abel Street bike lanes, if not the entire program of streetscape improvements, must be completed prior to the Main Street improvements.

Policy 7.15: *Establish a public outreach and information program for streetscape improvements along Main and Abel Streets.*

There will be some disruption to businesses during the street construction period. Public outreach and information programs for Milpitas residents and business owners which promote the street improvements and provide information regarding the progress of construction should be undertaken. Outreach efforts could include news articles, block meetings with business and property owners, neighborhood meetings, attractive signage and/or banners promoting streetscape improvements, construction reports and updates posted on the City's website.

Policy 7.16: *Establish programs to achieve the goals of beautification and economic development.*

Beautification and economic development programs can be provided to improve the appearance of eligible buildings and the area. Such efforts include:

- Undergrounding overhead utilities;
- Sign abatement;
- Banners; and
- Establish a Business Improvement District (BID).

In addition, the facade enhancement program should be designed to have a relatively short life, to encourage eligible building owners to participate in the near-term, and create an impact in the early years of the Specific Plan's implementation.

Policy 7.17: Place a priority on recruiting a food store in the southern portion of the Midtown Area.

In the Milpitas North/San Jose market area there are a total of 11 supermarkets—these include two Ranch 99 Markets, Lion Food Center, Ocean Market, two Albertson's, two PW Supermarkets, one Safeway, one Save Mart, and one Nob Hill Foods. These markets are clustered along Calaveras Boulevard and northeast of I-680; and along Hostetter and south, leaving the southern portion of the Midtown Area (generally from Curtis Way to Montague Expressway) lacking a full-size grocery store. This deficiency has been felt primarily by the Pines Neighborhood, which has expressed the desire for a store within the area. A market study conducted at the outset of the planning process concluded that at least an additional 2,000 housing units would be necessary (within a 1–1.5-mile radius of the Pines Neighborhood) in order to provide market support for a grocery store.

The strategy to attract a food store to the area is threefold:

- Encourage new housing in the area;
- Actively recruit potential retailers; and
- Consider incentives to attract a retailer.

Policy 7.18: Work with the Santa Clara Valley Water District and the San Francisco Public Utilities Commission to improve creek trails and open space for the Penetencia and Berryessa Creek Corridors, and the Hetch Hetchy right-of-way.

In 1997, the City adopted the Milpitas Trails Master Plan, which provided a blueprint for a comprehensive network of trails, the majority of which follow creeks, rail corridors, and utility rights-of-way that traverse the city. SCVWD and the SFPUC have policies that permit recreational use of their properties, provided that the agencies enter into a joint use agreement.¹ The Specific Plan utilizes the creek trail system as a key component of Midtown's park and open space network, and allows residential developers to improve the trail network to meet park dedication requirements.

When residential development is proposed in the Midtown Area, the developer should work with the City to identify an overall plan for meeting park dedication requirements. Depending on the size of the residential development, this will include some combination of on-site parks and creek trails. When improvement of the creek trails are proposed, a trail segment will be identified in consultation with City staff. Cost estimates for trail improvement and landscaping will be prepared and verified by City staff (see the Milpitas Trails Master Plan for more specific design guidance). Developers will pay for the improvements, and the City will coordinate with the appropriate agencies (i.e., SCVWD or SFPUC) and construct improvements.

Policy 7.19: Establish a Midtown park fee account.

A separate account will be established for park in-lieu fees collected from developments in Midtown in order to ensure that the fees go toward improving and maintaining parks and open space in the Midtown Area.

Notes:

¹ City of Milpitas. *Milpitas Trails Master Plan*. June 1997: p. 9.

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